

<b>UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY</b>	
<b>Caption in Compliance with D.N.J. LBR 9004-2(c)</b>	
<b>SHAPIRO, CROLAND, REISER APFEL &amp; DI IORIO, LLP</b> John P. Di Iorio, Esq. 411 Hackensack Avenue Hackensack, NJ 07601 (201) 488-3900 Attorneys for Debtor	
In Re:  JOHN PATRICK O'GRADY,  Debtor.	Chapter 11  Case No.: 19-19513-JKS (Small Business Subchapter V)  Hearing Date: February 23, 2021 at 10:00 a.m.

**DECLARATION OF DEBTOR IN OPPOSITION TO MOTION OF FORMER  
CHAPTER 7 TRUSTEE TO CONVERT CASE TO A CASE UNDER CHAPTER 7**

John Patrick O'Grady declares, pursuant to 28 U.S.C. §1746, under penalties of perjury as follows:

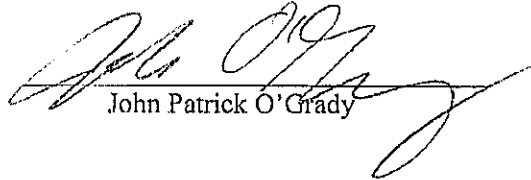
1. I am the Debtor in the above referenced matter. I submit this Declaration in opposition to the most recent effort by the former chapter 7 trustee, John Swylok, to convert my chapter 11 case to a case under chapter 7.
2. The Trustee's most recent motion is based on the erroneous statement that I do not have insurance in place for my home located at 91 Midvale Mountain Road, Mahwah, New Jersey.
3. That statement is simply incorrect.

4. As set forth in the renewal declarations page attached hereto as Exhibit A, insurance for the home has been secured through State Farm for the policy period from May 24, 2020 to May 24, 2021.

5. I have not received notice of cancellation of the insurance and, to the best of my knowledge, information and belief, the insurance has been paid with the monthly payments I make to the holder of the first mortgage TIAA and is in place.

I declare under penalties of perjury that the foregoing statements made by me are true and correct.

Dated: February 22<sup>nd</sup>, 2021

  
John Patrick O'Grady

**EXHIBT A**

State Farm Fire and Casualty Company  
A Stock Company With Home Offices in Bloomington, Illinois

PO Box 88049  
Atlanta GA 30356-9901



AT2 H-17-9E55-FB44 F H W  
3200  
O'GRADY, JOHN & TAKAKO HIRAI  
91 MIDVALE MOUNTAIN RD  
MAHWAH NJ 07430-2709

## RENEWAL DECLARATIONS

AMOUNT DUE: None  
Payment is due by TO BE PAID BY MORTGAGEE

Policy Number: 30-C2-1564-3

Policy Period: 12 Months  
Effective Dates: MAY 24 2020 to MAY 24 2021  
The policy period begins and ends at 12:01 am standard time at the residence premises.

Your State Farm Agent  
RANDY LOYD  
260 E MAIN ST  
RAMSEY NJ 07446-1904

Phone: (201) 825-2100

### Homeowners Policy

Location of Residence Premises  
91 MIDVALE MOUNTAIN RD  
MAHWAH NJ 07430-2709

Construction: Masonry  
Year Built: 2002

Roof Material: Composition Shingle  
Roof Installation Year: Default to Year Built

### Automatic Renewal

If the **POLICY PERIOD** is shown as **12 MONTHS**, this policy will be renewed automatically subject to the premiums, rules, and forms in effect for each succeeding policy period. If this policy is terminated, we will give you and the Mortgagee/Lienholder written notice in compliance with the policy provisions or as required by law.

### IMPORTANT MESSAGES

NOTICE: Information concerning changes in your policy language is included. Please call your agent with any questions. Please help us update the data used to determine your premium. Contact your agent with the year each of your home's utilities (heating/cooling, plumbing, or electrical) and roof were last updated.

### PREMIUM

Annual Premium	\$3,117.00
NJ Surcharge	19.00
<i>Your premium has already been adjusted by the following:</i>	
Claim Record Discount	

<b>Total Premium</b>	<b>\$3,136.00</b>
----------------------	-------------------



NAMED INSURED	MORTGAGEE AND ADDITIONAL INTERESTS
O'GRADY, JOHN & TAKAKO HIRAI	<b>Mortgagee</b> TIAA FSB ISAOA PO BOX 620138 ATLANTA GA 30362-2138 Loan Number: 1570511211  <b>2nd Mortgagee</b> PNC BANK CONSUMER LOAN SERVICE ITS SUCC &/OR ASSIGNS ATIMA PO BOX 5570 CLEVELAND OH 44101-0570 Loan Number: 0002743533

#### SECTION I - PROPERTY COVERAGES AND LIMITS

Coverage	Limit of Liability
A Dwelling	\$ 1,223,000
Other Structures	\$ 122,300
B Personal Property	\$ 917,250
C Loss of Use	\$ 366,900
Fungus (including Mold) Limited Coverage	\$ 10,000
<b>Additional Coverages</b>	
Arson Reward	\$1,000
Credit Card, Bank Fund Transfer Card, Forgery, and Counterfeit Money	\$1,000
Debris Removal	Additional 5% available/\$1,000 tree debris
Fire Department Service Charge	\$500 per occurrence
Fuel Oil Release	\$10,000
Locks and Remote Devices	\$1,000
Trees, Shrubs, and Landscaping	5% of Coverage A amount/\$750 per item

#### SECTION II - LIABILITY COVERAGES AND LIMITS

Coverage	Limit of Liability
L Personal Liability (Each Occurrence)	\$ 300,000
Damage to the Property of Others	\$ 1,000
M Medical Payments to Others (Each Person)	\$ 5,000

#### INFLATION

Inflation Coverage Index: 295.1

#### DEDUCTIBLES

Section I Deductible	Deductible Amount
Other Losses 1/2%	\$ 6,115
Hurricane 2.00%	\$ 24,460

#### LOSS SETTLEMENT PROVISIONS

A1 Replacement Cost - Similar Construction  
B1 Limited Replacement Cost - Coverage B

APR 13 2020

of 10/1/14

30-C2-1564-3



**FORMS, OPTIONS, AND ENDORSEMENTS**

HW-2130	Homeowners Policy
Option JF	Jewelry and Furs \$2,500 Each Article/\$5,000 Aggregate
Option ID	Increase Dwlg up to \$244,600
Option OL	Ordinance/Law 10%/ \$122,300
HO-2558	Workers' Comp & Employers Liab
HO-2444	Back-Up Of Sewer Or Drain - 5% of Coverage A/\$ 61,150
HO-2465	Fungus (Incl Mold) Liability
HO-2466	Fungus (Incl Mold) Limited Cov
HO-2554	Hurricane Duration Deductible
HO-2294	*Amendatory Endorsement *New Form Attached

**ADDITIONAL MESSAGES**

State Farm® works hard to offer you the best combination of price, service, and protection. The amount you pay for homeowners insurance is determined by many factors such as the coverages you have, the type of construction, the likelihood of future claims, and information from consumers reports.

**Other limits and exclusions may apply - refer to your policy**

Your policy consists of these Declarations, the Homeowners Policy shown above, and any other forms and endorsements that apply, including those shown above as well as those issued subsequent to the issuance of this policy.

This policy is issued by the State Farm Fire and Casualty Company.

**Participating Policy**

You are entitled to participate in a distribution of the earnings of the company as determined by our Board of Directors in accordance with the Company's Articles of Incorporation, as amended.

In Witness Whereof, the State Farm Fire and Casualty Company has caused this policy to be signed by its President and Secretary at Bloomington, Illinois.

*Lynne M. Yawell*  
Secretary

*Michael J. Ligon*  
President

Countersigned  
BY

*Anthony L. Braun*

Agent Page 3 of 4



---

**Your coverage amount....**

It is up to you to choose the coverages and limits that meet your needs. We recommend that you purchase a coverage limit at least equal to the estimated replacement cost of your home. Replacement cost estimates are available from building contractors and replacement cost appraisers, or, your agent can provide an Xactware estimate using information you provide about your home. We can accept the type of estimate you choose as long as it provides a reasonable level of detail about your home. State Farm® does not guarantee that any estimate will be the actual future cost to rebuild your home. Higher limits are available at higher premiums. Lower limits are also available, which if selected may make certain coverages unavailable to you. We encourage you to periodically review your coverages and limits with your agent and to notify us of any changes or additions to your home.

APR 13 2020

oF081A

UN 2000

30-C2-1564-3

### Homeowners Insurance

**THIS SUMMARY HIGHLIGHTS THE NOTABLE COVERAGES AND EXCLUSIONS ASSOCIATED WITH YOUR HOMEOWNERS INSURANCE POLICY AND IS ONLY PROVIDED AS GUIDANCE IN HELPING YOU UNDERSTAND YOUR POLICY. THIS SUMMARY DOES NOT ALTER YOUR COVERAGE IN ANY WAY. YOUR INSURANCE POLICY IS A CONTRACT THAT GOVERNS YOUR LEGAL RIGHTS. PLEASE CONTACT YOUR AGENT IF YOU HAVE ANY QUESTIONS.**

**REFER TO YOUR DECLARATIONS PAGE FOR INFORMATION ON DEDUCTIBLES AND THE SPECIFIC LIMITS OF YOUR POLICY FOR EACH OF THE INCLUDED COVERAGES. REFER TO THE APPLICABLE POLICY PROVISIONS FOR OTHER INFORMATION SPECIFIC TO THESE COVERAGES, AND ON ANY ADDED COVERAGES OR EXCLUSIONS IN YOUR POLICY. FOR ADDITIONAL GUIDANCE AND INFORMATION, SEE THE INSURING YOUR HOME GUIDE ON THE DEPT. OF BANKING AND INSURANCE WEBSITE AT [http://www.state.nj.us/dobi/division\\_consumers/pdf/insuringyourhome.pdf](http://www.state.nj.us/dobi/division_consumers/pdf/insuringyourhome.pdf)**

**Most homeowners policies in New Jersey include the following common coverages:**

- **Dwelling** - pays if your house is damaged or destroyed by a covered loss.
- **Other structures** - pays if structures not attached to your house, such as detached garages, storage sheds, and fences are damaged or destroyed by a covered loss.
- **Personal property** - pays if the items in your house (such as furniture, clothing, and appliances) are damaged, stolen, or destroyed by a covered loss.
- **Loss of use** - pays your additional living expenses (costs over the normal amount for housing, food, and other essential expenses) if you must temporarily move because damage to your house from a covered loss renders it uninhabitable.
- **Personal liability** - pays to defend you in court against certain lawsuits and provides coverage if you are found legally responsible for someone else's injury or property damage.
- **Medical payments to others** - pays the medical bills of people hurt on your property. It might also pay for some injuries that happen away from your home, such as your dog biting someone at the park.

#### **Policy Features**

- Companies may exclude coverage for certain losses. Even the most comprehensive policy will exclude certain types of damage.
- All policies include an all-peril deductible. The deductible is the portion for which you are responsible on a covered property loss.
- Some policies may include a separate, optional wind/hail deductible, and/or a mandatory or optional hurricane deductible.
- Companies may offer optional coverages that include oil tank liability, coverage for water back up and sump pump overflow, ordinance or law coverage, earthquake and scheduled personal property such as jewelry, fine arts, furs or silverware.

Your Policy Covers Losses Caused by	Your Policy Does Not Cover Losses Caused by
Fire and lightning	Flooding including tidal surge (Note: Flood insurance may be available through the National Flood Insurance Program ( <a href="http://www.floodsmart.gov">www.floodsmart.gov</a> ))
Sudden and accidental damage by smoke	Earth movement, landslides, mudslides & sinkholes
Explosion	Termites, insects, rats, mice, birds or other vermin
Theft	Freezing pipes (unless water was shut off or building was heated)
Vandalism and malicious mischief	Certain perils if your house is vacant for the number of days specified by your policy
Aircraft and vehicles	Wear and tear, rotting, maintenance and pollution
Windstorm or hail	Wind or hail damage to trees and shrubs
Sudden and accidental water damage	Mold, unless it is as a result of a covered loss (for example, mold damage due to flood would not be covered)
Weight of ice, snow or sleet	Water damage resulting from continuous and repeated seepage
Riot and civil commotion	Liability which results from the ownership or use of an automobile and other types of motorized land vehicles, aircraft or certain watercraft
	Intentional acts caused by you or a resident of your home
	War or Nuclear Hazard
	Earthquake





30-C2-1564-3 018172

HO-2294C  
Page 1 of 2

## IMPORTANT NOTICE

### Regarding Changes to Your Policy

Effective with this policy term, **HO-2294 HOMEOWNERS AMENDATORY ENDORSEMENT (New Jersey)** is added to your policy.

This notice summarizes the changes being made to your policy. Please read the new endorsement carefully and note the following changes:

- Under **DEFINITIONS**, the definition of "occurrence" has been updated as it relates to bodily injury and property damage. In order to be considered one occurrence, bodily injury and property damage may occur from continuous or repeated exposure.
- Editorial changes have been made to the following provisions:
  - **SECTION I – CONDITIONS**, Mortgagee Clause
  - **SECTION I AND SECTION II – CONDITIONS**, Cancellation
  - **SECTION I AND SECTION II – CONDITIONS**, Nonrenewal
  - **OPTIONAL POLICY PROVISIONS**, Option ID – Increased Dwelling Limit
- Under **SECTION I AND SECTION II – CONDITIONS**, Electronic Delivery has been deleted.

Endorsement **HO-2294** follows this notice. Please read it thoroughly and place it with your policy. If you have any questions about the information in this notice, please contact your State Farm® agent.

This notice is a general description of coverage and/or coverage changes and is not a statement of contract. This message does not change, modify, or invalidate any of the provisions, terms, or conditions of your policy, or any other applicable endorsements.

### HOMEOWNERS AMENDATORY ENDORSEMENT (New Jersey)

This endorsement modifies insurance provided under the following: **HOMEOWNERS POLICY**

#### DEFINITIONS

The definition of "**occurrence**" is replaced by the following:

"**occurrence**", when used in Section II of this policy, means an accident, including accidental exposure to conditions, which first results in:

- a. **bodily injury**; or
- b. **property damage**;

during the policy period. All **bodily injury** and **property damage** resulting from one accident, series of related accidents, or from continuous or repeated exposure to the same general conditions is considered to be one **occurrence**.

#### SECTION I – CONDITIONS

Under **Mortgagee Clause**, paragraph 10.c. is replaced by the following:

- c. If **we** cancel this policy, the mortgagee will be notified at least 30 days before the date cancellation takes effect.

#### SECTION I AND SECTION II – CONDITIONS

Under **Cancellation**, 5.b. is replaced by the following:

- b. **We** may cancel this policy by providing notice to a named insured shown on the **Declarations**. The notice will provide the date cancellation is effective.
  - (1) When **you** have not paid the premium, **we** may cancel at any time by providing notice at least 10 days before the date cancellation takes effect. This condition applies whether the premium is payable to **us** or **our** agent or under any finance or credit plan.
  - (2) When this policy has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel for any reason. **We** may cancel by providing notice at least 10 days before the date cancellation takes effect.
  - (3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with **us**, **we** may cancel:

HO-2294C  
Page 2 of 2

- (a) if there has been a material misrepresentation of fact that, if known to *us*, would have caused *us* not to issue this policy; or
- (b) if the risk has changed substantially since this policy was issued.

*We* may cancel this policy by providing notice at least 30 days before the date cancellation takes effect.

- (4) When this policy is written for a period longer than one year, *we* may cancel for any reason at anniversary. *We* may cancel by providing notice at least 30 days before the date cancellation takes effect.

Under Nonrenewal, the first paragraph only, is replaced by the following:

**Nonrenewal.** If *we* decide not to renew this policy, then, at least 30 days before the end of the current policy period, *we* will provide a nonrenewal notice to a named insured shown on the *Declarations*.

Electronic Delivery is deleted.

#### OPTIONAL POLICY PROVISIONS

Option ID is replaced by the following:

**Option ID – Increased Dwelling Limit.** *We* will settle losses to damaged *building structures* covered under

HO-2294

**COVERAGE A – DWELLING** according to the **Loss Settlement Provision** shown in the *Declarations*.

1. If the amount *you* actually and necessarily spend to repair or replace the damaged *dwelling* exceeds the limit of liability shown in the *Declarations* for Coverage A – Dwelling, *we* will pay the additional amounts not to exceed the Option ID limit shown in the *Declarations*.
2. If the amount *you* actually and necessarily spend to repair or replace damaged *building structures* covered under **COVERAGE A – DWELLING**, Other Structures exceeds the limit of liability shown in the *Declarations* for Other Structures, *we* will pay the additional amounts not to exceed 10% of the Option ID limit shown in the *Declarations*.

**Report Increased Values.** *You* must notify *us* within 90 days of the start of construction on any new *building structure* costing \$5,000 or more; or any additions to or remodeling of *building structures* that increase their values by \$5,000 or more. *You* must pay any additional premium due for the increased value. *We* will not pay more than the applicable limit of liability shown in the *Declarations* if *you* fail to notify *us* of the increased value within 90 days.

All other policy provisions apply.

30-C2-1564-3 018173

553-4123 NJ.1

## IMPORTANT INFORMATION ABOUT HURRICANE DEDUCTIBLES

We want you to be aware of hurricane deductibles and how they affect Homeowners coverage. A hurricane deductible is a special deductible that applies only to damage and losses arising out of hurricanes.

If a hurricane deductible applies to your policy, it will be shown on your Declarations Page and Renewal Declarations, and the Hurricane Duration Deductible Endorsement will be included with your policy. The deductible is stated as a percentage of your Coverage A – Dwelling limit. Depending on the location of your home, a hurricane deductible of 1%, 2%, or 5% may be required on your Homeowners Policy.

### Changing or removing your hurricane deductible

You may be eligible to change or remove your hurricane deductible. In order to possibly qualify for a reduction or removal, the following factors will be reviewed:

- Whether the home is located in an area subject to a lower risk of wind loss.
- Whether a qualifying State Farm auto policy is active.

Please contact your State Farm agent to discuss hurricane deductible options available to you, the applicable change in premium, and the coverage impact that may result from that change.

Any change must be made no later than 30 days following your current renewal date. If you do not make changes to your hurricane deductible within that time, the hurricane deductible shown on your Renewal Declarations will apply and you will not be able to change your hurricane deductible until your policy renews next year. Any claims made will be settled based on the deductible in effect at the time of loss.

### When a hurricane deductible applies

The hurricane deductible applies only:

- When the National Hurricane Center of the National Weather Service declares at least a Category 1 hurricane with minimum wind speeds of 74 miles per hour in New Jersey; and
- For the duration of a hurricane, which includes the time period beginning 12 hours prior to the time hurricane force wind speeds are measured at any National Weather Service measuring site in this state; and
- Continuing for the time period during which hurricane conditions exist anywhere in the state; and
- Ending 12 hours after the last time the hurricane force wind speeds are measured at any National Weather Service measuring site in this state.

**Note:** A hurricane deductible is different from your policy deductible (shown on your Declarations Page and Renewal Declarations). Unless a hurricane deductible is listed on your Declarations Page and Renewal Declarations, your policy deductible will apply to all covered property damage or losses.

### Hurricane deductible examples

Here are some examples of how different hurricane deductible percentages are applied to a home that has a Coverage A – Dwelling limit of \$200,000 and \$20,000 of covered hurricane damage to the dwelling:

Hurricane deductible	1%	2%	5%
Amount of hurricane damage/loss	\$20,000	\$20,000	\$20,000
Hurricane deductible amount (Coverage A limit multiplied by the hurricane deductible percentage)	\$ 2,000	\$ 4,000	\$10,000
Amount State Farm® pays	\$18,000	\$16,000	\$10,000

For further information about your policy, please see the enclosed summary of notable coverages and exclusions associated with your policy. If you have any questions about hurricane deductibles, please contact your State Farm agent.

553-4123 NJ.1

(CONTINUED)

553-4166 NJ

## Important Information

The New Jersey Department of Banking and Insurance requires that we provide the following notice:

### **NOTICE**

All homeowner insurance policyholders are cautioned that:

1. A homeowners insurance policy does not cover property damage from floods.
2. Flood means a general and temporary condition of partial or complete inundation of normally dry land area from:
  - i. The overflow of inland or tidal waters;
  - ii. The unusual and rapid accumulation or runoff of surface waters from any source;
  - iii. Mudslides (that is, mudflows) that are proximately caused by flooding and are akin to a river of liquid and flowing mud on the surfaces of normally dry land areas, including your premises, as when earth is carried by a current of water and deposited along the path of the current;
3. Flood also includes the collapse or subsidence of land along the shore of a lake or other body of water as a result of erosion or undermining caused by waves or currents of water exceeding cyclical levels, which results in the partial or complete inundation of normally dry land area;
4. A separate policy of flood insurance may be available to cover flood damage at an additional premium;
5. The insurer or insurance agent should be consulted to obtain further information about how to secure flood insurance, including the availability, terms and coverage;
6. Standard homeowners insurance policies do not cover damage to property, contents and structure resulting from floods; however, flood insurance may be available through the National Flood Insurance Program which exists in participating communities; and
7. The National Flood Insurance Program coverage contains separate content and structure coverage. A policyholder should consult with the National Flood Insurance Program or his insurer or insurance producer as to whether the coverage selected is appropriate to the policyholder's needs.

## Premium Surcharge

Companies writing property and casualty insurance business in New Jersey are required to participate in the New Jersey Property – Liability Insurance Guaranty Association. If an insurance company becomes insolvent, the Guaranty Association is required by law to settle unpaid claims and assess each insurance company for its proportionate share. New Jersey law also allows all companies to surcharge policies to recover these assessments. If your policy is surcharged, an amount will be displayed on your renewal notice as "NJ Surcharge."

553-4166 NJ

(CONTINUED)

30-C2-1564-3 018174

553-1902 NJ.4

The following notice is being provided to you in accordance with New Jersey law:

### New Jersey Earthquake Insurance Availability Notice

All insureds and applicants are cautioned that State Farm® homeowners (tenant and non-tenant including manufactured homes) and commercial fire insurance policies do not provide coverage for earthquake damage.

The definition of an *earthquake*:

- is a shaking or trembling of the earth that is geologic or tectonic in nature;
- includes shock waves or tremors before, during or after a volcanic eruption; and
- can also include after-shocks that occur within a seventy-two hour period following an *earthquake*.

A typical homeowners or commercial fire insurance policy:

- **does not** cover the cost to replace or repair your damaged dwelling, premises or structures, such as garages, resulting from an *earthquake*;
- **does not** cover the cost to replace or repair the contents of your home or business if the damages result from an *earthquake*; and
- **does not** pay for any additional living or business expenses if your property is badly damaged or destroyed by an *earthquake*.

**Earthquake insurance is available through an endorsement to your policy for an additional premium. The decision to purchase earthquake insurance is one that should be carefully considered based on individual circumstances.**

Historically, an earthquake in New Jersey is a rare event, although the possibility exists that it could happen. Over the five-year period from 2010 to 2015, for every \$1 of *earthquake* insurance premium, 1/10 of one cent has been paid out for losses.

**Please contact your State Farm agent if you have any questions or want additional information on how you can obtain *earthquake* insurance.**

*This notice is a general description of coverage and does not change, modify or invalidate any of the provisions, terms or conditions of your policy or endorsements.*

553-1902 NJ.4 (C)

(CONTINUED)

553-3149

## **IMPORTANT NOTICE . . . Information Regarding Your Premium**

Claims and information from other State Farm® policies in your household may have been used to determine the premium shown. A policy may be considered "in your household" if, according to our records, the policy has a name and address in common with this policy.

Consumer reports may also be used to determine the price you are charged. We may obtain and use a credit-based insurance score developed from information contained in these reports. We may use a third party in connection with the development of your insurance score.

We occasionally collect personal information from persons other than the individual or individuals listed on the policy. Such personal information may, in certain circumstances, be disclosed to third parties without your authorization. If you would like additional information concerning the collection and disclosure of your personal information – and your right to see and correct any personal information in your files – it will be furnished upon request.

553-3149 (C) (10/09)

553-4157

## **NOTICE TO POLICYHOLDER**

For a comprehensive description of coverages and forms, please refer to your policy.

Policy changes that you requested before the "Date Prepared" on your Renewal Declarations are effective on the renewal date of this policy unless indicated otherwise by a separate endorsement, binder or Amended Declarations Page. Any coverage forms or endorsements included with your Renewal Declarations are effective on the renewal date of this policy.

Policy changes that you requested after the "Date Prepared" on your Renewal Declarations will be sent to you as an Amended Declarations Page or as an endorsement to your policy. You will be billed for any resulting premium increase later.

If you have acquired any valuable property items, made any improvements to your home, or have questions about your insurance coverage, please contact your State Farm® agent.

553-4157 (C)

(CONTINUED)

30-C2-1564-3 018175

553-2798

## IMPORTANT NOTICE . . . Discounts and Rating

The longer you are insured with State Farm\* and the fewer claims you have, the lower your premium. For policyholders insured by State Farm for three or more years, the Claim Free Discount Plan provides a premium discount if you have not had any claims considered for the Plan in the most recent three-year period since becoming insured with State Farm. Premium adjustments under the Claim Record Rating Plan are based on the number of years you have been insured with State Farm and on the number of claims that we consider for the Plan. Depending on the Plan(s) that applies in your state/province, claims considered for the Plans generally include claims resulting in a paid loss and may include weather-related claims. Additionally, depending on your state/province's plan and your tenure with State Farm, any claims with your prior insurer resulting in property damage or injury may also influence your premium. For further information about whether a Claim Free Discount is in effect in your state/province, the Claim Record Rating Plan that applies in your state/province, and the claims we consider for the Plans, please contact your State Farm agent.

553-2798 (C) (10/07)

553-4156

## PREMIUM ADJUSTMENT

Insurance premiums have been adjusted and continue to reflect the expected cost of claims. Some policyholders will see their premiums increase while other policyholders may see their premiums decrease or stay the same. The amount your premium changed, if at all, depends on several factors including the expected claim experience in your area, the coverage you have, and any applicable discounts or charges.

The enclosed Renewal Declarations reflects your new premium.

State Farm® works hard to offer you the best combination of cost, protection, and service. We will continue doing our best to make the most effective use of your premium dollars and give you superior service when you need it.

If you have any questions about your premium, or policy coverages, please contact your State Farm agent.

553-4156



